



NEWS RELEASE

US DEPARTMENT OF THE INTERIOR ■ BUREAU OF LAND MANAGEMENT
NEW MEXICO STATE OFFICE ■ 1474 RODEO RD ■ SANTA FE, NM 87505
Hans Stuart ■ External Affairs Chief ■ 505.438.7510

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For Additional Information
Hans Stuart 505.438.7510 office
505.231.2178 cell

BLM Oil and Gas Lease Sale Nets over \$15 Million

Santa Fe – A quarterly oil and gas lease sale administered by the Bureau of Land Management netted \$15,108,987 in revenue today from 78 federal leases sold in New Mexico, Texas, Kansas and Oklahoma.

In New Mexico, 51 parcels brought in \$14,279,909 in revenue; in Texas, 12 parcels brought in \$253,879. In Oklahoma, 11 parcels brought in \$568,236 and in Kansas, four parcels brought in \$6,963. The oral auction took place on Wednesday, October 18, 2006, at the BLM's State Office Building, 1474 Rodeo Road, in Santa Fe.

"All 78 parcels offered in today's sale received bids," said Linda Rundell, BLM's New Mexico State Director. "This shows that interest and demand for domestic energy production remains high. New Mexico is a major supplier of energy to our country and will continue to export both oil and gas to other states."

Half of the revenues from these lease sales are returned to the U.S. Treasury and half go to the state where the mineral lease occurs, Rundell added, noting that New Mexico will receive over \$7.1 million from today's quarterly lease sale. In Fiscal Year 2005, the State received over \$420 million from federal oil and gas leasing, rents and royalties.

The highest bid for a parcel was \$2,360,600 for 1,275 acres in Eddy County, by Chesapeake Exploration LP of Oklahoma City. The highest bid per acre was from Daniel E. Gonzales of Santa Fe, who paid \$2,700 per acre for 240 acres, also in Eddy County (\$648,000 total).

The Mineral Leasing Act of 1920 and the 1987 Federal Onshore Oil and Gas Leasing Reform Act authorize leasing of Federal oil and gas resources. The 1987 law requires each BLM state office to conduct oil and gas lease sales on at least a quarterly basis. BLM lease sales are competitive and conducted by oral bidding.

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The BLM, an agency of the U.S. Department of the Interior, manages more land – over 260 million surface acres – than any other Federal agency. Most of this land is in 12 Western states, including Alaska. The Bureau also administers 700 million acres of subsurface mineral estate throughout the nation.

Results of today's lease sale by state are as follows:

NM	51 parcels sold	51,281 acres	\$14,279,909
TX	12 parcels sold	9,475 acres	\$ 253,879
OK	11 parcels sold	882 acres	\$ 568,236
KS	4 parcels sold	878 acres	\$ 6,963
Total	78 parcels sold	62,516 acres	\$15,108,987*

* Includes bonus bids and fees, including rentals for first year.